COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

NOTICE OF PURCHASED GAS   )
ADJUSTMENT FILING OF ELZIE   ) CASE NO. 8546-N
NEELEY GAS COMPANY, INC.   )

O R D E R

On November 23, 1982, the Commission issued its Order in Case No. 8546 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received.

On July 5, 1984, Elzie Neeley Gas Company, Inc., ("Elzie Neeley") notified the Commission of a proposed increase in its wholesale cost of gas by its supplier, Columbia Gas of Kentucky, Inc., ("Columbia") effective May 20, 1984, and submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with this Commission.

After reviewing the record in this case and being advised, the Commission is of the opinion and finds that:

(1) Columbia notified Elzie Neeley of a proposed increase in the wholesale cost of gas to be effective May 20, 1984. Columbia's proposed increased rates were filed in Case No. 9003 pending before this Commission and were suspended until October

20, 1984. Columbia's approved wholesale rate remains $5.463 per Mcf.

(2) Elzie Neeley's current rates are based on a wholesale cost of $5.463 per Mcf as authorized by Order issued May 7, 1984, in Case No. 8546-M.
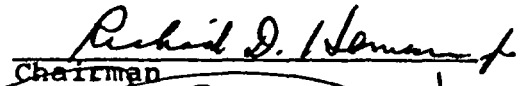
(3) Elzie Neeley's proposed adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 8546 dated November 23, 1982, is unreasonable and unjust and should be denied because Columbia's effective wholesale rate is unchanged.

IT IS THEREFORE ORDERED that Elzie Neeley's proposed adjustment in rates be and it hereby is denied.

IT IS FURTHER ORDERED that the rates authorized in Case No. 8546-M, by Order issued May 7, 1984, shall remain in full force and effect.

Done at Frankfort, Kentucky, this 30th day of July, 1984.

PUBLIC SERVICE COMMISSION

Chairman

Vice Chairman

Commissioner

ATTEST:

Secretary